

**Escalation Rate Assumptions
For DOE Projects
(as of January 2002)**

	Project Categories *									
FY	Construction		EM		IT		O&M		R&D	
2002	1.000	N/A	1.000	N/A	1.000	N/A	1.000	N/A	1.000	N/A
2003	1.021	2.1	1.020	2.0	1.008	0.8	1.018	1.8	1.023	2.3
2004	1.046	2.5	1.047	2.7	1.017	0.9	1.045	2.6	1.051	2.8
2005	1.076	2.9	1.075	2.7	1.022	0.5	1.073	2.7	1.080	2.7
2006	1.106	2.8	1.103	2.6	1.032	1.0	1.101	2.6	1.108	2.6
2007	1.135	2.6	1.130	2.4	1.041	0.8	1.127	2.4	1.136	2.5

These Rates are based on Material and Labor data contained in the Energy Supply Model, provided by DRI-WEFA. Locally obtained rates, different from those above, may be used. The rationale for using other rates should be stated in your budget inputs.. Additional advice and assistance can be obtained from OECM. Points of Contact: T. Ross Hallman, National Energy Technology Laboratory (NETL), 304-285-4837 or Terry Brennan, NETL, 412-386-5989.

* Note that Project Categories are being aligned with those Project Categories in the Project Assessment and Reporting System (PARS), which are included as follows:

Construction: (formerly Defense Programs and General Construction Category)

Vertical: Examples: General Building Construction, Administration Buildings, Lab Facilities.

Horizontal: Railroads, Road Work, Bridges, Tunneling, Site Improvements, Site Utilities, Dams / Waterways

Facilities / Infrastructure: Chemical Plants, Vitrification Plants, Process Plants, Incinerators, Accelerators, One-of-a-Kind Facilities, and Modifications.

Environmental Management: (formerly Environmental Management category)

Restoration: Groundwater Remediation, Soils Remediation

D&D: Reactors, Process Facilities, Administration Facilities, Medical Facilities, Laboratory Facilities, Security Facilities

Information Technology: (**NOT** formerly a Category or Project Type)

Information Technology and Systems: Hardware, Software, Modeling / Simulation

Operations and Maintenance: (formerly Operating Expense or Waste Management category)

Laboratory Operation and Maintenance: Equipment Replacement, System Maintenance, HEPA Maintenance, Equipment Maintenance

Production Operation and Maintenance: Chemical Processing, Vitrification Operations, Waste Management, Manufacturing

Other Operation and Maintenance: Maintenance Work, Roof Replacement, Building Systems, Landlord Activities, Hotel Load Maintenance.

Research and Development: (Formerly Energy Research and Nuclear, Fossil, Conservation and Solar Categories)

Research and Development: Fossil Energy, Energy Research, Solar Energy, Alternative Energy Sources

Applied Science: Medical, Basic Science

Nuclear Research: Weapons Production, Security Infrastructure, Weapons Simulation, Nuclear Energy